STOCK PRICES

	As of 5/12	52-week High	52-week Low	P/E Ratio
Boise Cascade (NYSE)	28¾	48¼	26	9
Diamond Int'l (NYSE)	40½	41¼	26¼	17
Evans Products (NYSE) [Alamo Ent., Grossman's, Moore's, Hubbard & Johnson, Lindsley]	10⅝	26½	9½	12
Forest City (AMEX)	12⅜	20	11¼	—
W. R. Grace (NYSE) [Angels, Cashway, Channel, Handy City, Handy Dan, Orchard]	40	51	34⅜	5
Lowe's (NYSE)	15⅜	18⅝	10½	17
Payless Cashways (NYSE) [Furrow]	21⅝	21⅞	15¼	17
Scotty's (NYSE)	19¾	26⅝	15⅛	10
Southwest Forest Industries (NYSE) [Dunlap's, Knox Lumber]	10⅝	24⅜	9⅞	38
Wickes (NYSE) [Wickes Lumber, Builder's Emporium]	2½	16¾	2	2

*$ in millions

Over-the-counter stocks

	As of 5/12 Bid	As of 5/12 Asked	52-week High (Bid)	52-week Low (Bid)
Erb Lumber	9¾	10¼	14¾	7½
Hechinger	19½	19⅞	23⅛	10½
Hines Lumber	19	20	21	15
The Home Depot	14⅞	15	15	6⅛
Pay 'N Pak	14¾	15	18	13⅛
Pay 'n Save	19⅛	19¼	29½	16½

SALES & EARNINGS

Company	Period Ended	Current Sales*	Year-Ago Sales*	% Change	Current Earnings*	Year-Ago Earnings*	% Change
Erb Lumber	3/31-1st qtr.	$ 16,038	$ 23,801	–33	–$1,208	–$ 148	—
Hines Lumber	3/31-1st qtr.	44,839	61,941	–28	– 7,425	– 1,810	—
Lowe's *$ in thousands	5/1-5 wks.	104,700	104,400	—	—	—	—

The Champion Commitment:

IT MEANS PROVIDING IN DEPTH THE BASICS YOU NEED TO BUILD YOUR BUSINESS.

We provide a complete line of quality building products. And quick shipments from our distribution centers to maximize return on your inventory investment.
We're committed to you. We're Champion.

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Champion International Corporation
Building Products Division

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Wolohan posts loss in 1st qtr.

SAGINAW, Mich.—Wolohan Lumber suffered through another dismal first quarter ended March 31.

The 34-store, six-state Midwest chain incurred a net loss of $599,000 in the period compared to a $260,000 net loss in the same quarter last year, officials said. The higher loss came essentially from a 34% decline in sales to $10,561,000 in the period.

Company president David F. Wallace said, however, that improvements in the margin mix and expense controls kept the loss from being larger.

"The sales decline was primarily attributed to a continuation of the depressed home construction and remodeling markets, which have suffered from high interest and mortgage rates, tight money conditions and the slow economy in the Midwest," Wallace explained.

Despite trying to carve out more DIY business (*NHCN*, May 25, 1981), he noted high unemployment and a lack of consumer confidence have also slowed consumer spending.

Home Depot increases shares

ATLANTA—Home Depot shareholders approved an increase in its authorized common shares from 4 million to 10 million, making a 25% stock dividend and the sale of an additional 630,000 shares possible.

The eight-unit chain paid out five shares of common for every four shares held as of April 12 in the stock dividend, company officials said.

The Home Depot then sold the additional 630,000 shares.

Lowe's retail biz up 15% in April

NORTH WILKESBORO, N.C.—While Lowe's sales for the five-week period ended May 1 increased only slightly to $104.7 million compared to $104.4 million in the same period in 1981, the figures belie some encouraging signs for the 231-store chain.

Retail sales of $60.2 million, up 15% from a year ago, were the highest consumer volume total for a five-week period in Lowe's history.

FUTURES

Two weeks ended May 14, 1982

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.							
May	127.50	115.50	122.60	127.20	448	222.30	115.50
July	143.30	132.30	137.60	143.00	3,613	224.50	132.30
Sept.	152.60	142.80	148.90	152.30	1,564	229.50	142.80
Nov.	156.20	146.00	153.20	154.00	798	224.50	146.00
Jan. '83	163.00	153.20	161.00	162.00	390	205.50	153.20
March	171.60	164.00	169.00	169.00	86	209.80	164.00
May	177.20	170.00	174.50	176.00	115	202.00	170.00

Total Contract Vol. (Through 5/14): 22,301 — **Previous Two Weeks: 24,841**
Total Open Interest (As of 5/13): 7,126 — **Previous Week: 7,729**
Cash Price: $125.44 — **Previous Week: $125.44** — **Year Ago: $168.58**

PLYWOOD (CBT)—76,032 sq. ft. ½-in. Western ext. 4/5-ply; $ per 1,000 sq. ft.							
May	163.50	152.10	163.50	159.80	41	241.00	151.00
July	167.20	157.00	167.00	164.20	1,657	219.00	156.20
Sept.	172.00	161.20	171.90	168.70	586	224.50	160.80
Nov.	175.90	165.80	175.60	172.10	313	226.50	165.00
Jan.'83	179.00	169.30	179.00	176.60	159	218.60	168.00
March	164.50	174.50	184.50	181.50	39	196.30	174.00

Total Contract Vol. (Through 5/14): 3,953 — **Previous Two Weeks: 7,325**
Total Open Interest (As of 5/13): 2,795 — **Previous Week: 2,686**
Cash Price: $158.76 — **Previous Week: $155.82** — **Year Ago: $198.94**

LUMBER REPORT

Industry shipping Wickes, but cautiously for now

By Kenneth Schept
NHCN senior editor

Much of the industry seems on the fence when it comes to shipping Wickes.

Schept

Georgia-Pacific, Wickes Lumber's largest trade creditor continues to ship. But the company seems to be in the minority.

Wickes owes G-P $2.26 million in pre-Chapter XI debt according to the 20-volume creditors list Wickes filed in United States bankruptcy court. Creditors who are owed substantial amounts obviously have a stake in seeing the $4 billion conglomerate survive and ultimately pay past debts.

The dilemma was summarized by the vice president of another creditor, a lumber and building materials supplier who is still shipping Wickes on regular terms.

"They're pretty heavily in debt to us. If it took blood to make them survive, we'd have everybody up there giving blood," he said.

Suppliers have generally been more circumspect, not wanting to throw good money after bad. While they respect Sanford Sigoloff, Wickes Cos. new chairman, president and ceo, and take comfort from his past corporate rescues, many vendors want more than his assurances before they resume shipments with normal terms.

The decision to ship or not will, of course, be made on a purely business basis, but there is also an emotional factor. Some suppliers resent the fact that their problems with Wickes result from the few months prior to the Chapter XI filing when they increased their exposure based on assurances made, they say, by Wickes management about the state of the company.

"Wickes took a rather arbitrary stance when it cut off payment [prior to filing Chapter XI] to suppliers who had been shipping the company," said William Rooney, marketing and sales services manage. for Louisiana-Pacific, which is shipping Wickes some merchandise, on a cash-in-advance basis.

It is the smaller companies that may be more critically affected by the future of Wickes.

The housing slump has been unkind to the lumber industry and there are apparently companies now buying lumber and selling it at a loss just to raise cash. Wickes was one more blow. Two Atlanta wholesalers went out of business in the week following the Wickes filing.

'Running scared'

"The Wickes thing has everybody running scared. A lot of midsized people will go out of business as a result," said Bo Maxi, buyer at Maxi-Basshardt Lumber, Deluth, Ga.

Maxi-Basshardt, which has yearly sales of about $30 million, is owed money by Wickes, but "well under $100,000," according to Maxi.

"We saw it coming," he said. The company stopped shipping Wickes prior to the Chapter XI filing, when Maxi-Basshardt's insurance company called to say any further receivables from Wickes would not be covered.

The pivotal factor for businesses like Maxi-Basshardt's, and thousands of other Wickes suppliers, in determining whether shipments are resumed lies squarely on the financial report for fiscal 1982. The audited figures, more than anything, will nudge suppliers off the fence. Which side they take will likely set the stage for Wickes' fate.

Boise Cascade's 1st-qtr. net off 85%, biz dips 9%

BOISE, Idaho—Boise Cascade's building materials and related businesses, including its 96 stores, posted another unprofitable quarter as a result of the housing depression, according to chairman and chief executive John Fery.

While volume and prices were low in the first quarter of this year, he related, costs have increased.

The company's net income in the quarter ended March 31 dropped 85% to $5,560,000 on a sales decrease of 9% to $713,960,000 compared to the first quarter last year.

Economic conditions have resulted in Boise Cascade slowing capital investment by reducing discretionary spending severely, Fery said. The company's 1982 capital spending should be about the same as 1981's $237 million, extending the company's five-year, $2.3 billion capital program through 1984.

Introducing the "everythingyoualwayswanted" line of electrical products.

Meet the line of over 1000 electrical items designed to keep everybody happy.

For your customers, there are switch and outlet boxes, wiring devices, cords, telephone accessories, load centers, and circuit breakers. And easy-to-understand instructions are on the back of every high-impact package.

Of course, they also get the well-known Sylvania name and reputation for high quality.

For you, it's a full product line that can be tailored to fit your local market. And there are merchandising tools and programs that will bring in the do-it-yourself customers and keep them coming back.

When you handle the "everything" line that gives you all of that, there's not much left to ask.

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Merchandising electricals . . . p. 12

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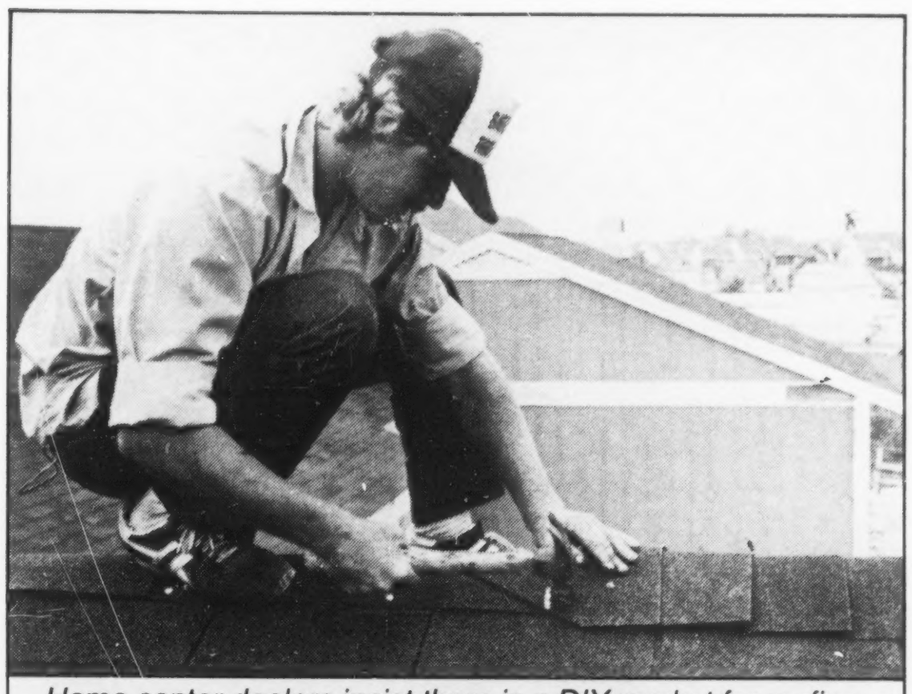

Home center dealers insist there is a DIY market for roofing, though few are willing to say that increased product sales mean more consumers are tackling the project themselves.

Roofing sales rebound, but who's doing the job?

By John Caulfield
NHCN associate editor

NATIONAL REPORT—Sales of asphalt and fiberglass shingles have shown surprising strength for home centers over the past six months, and a recent survey suggests that as many as 1,820,000 homeowners plan to reroof their homes over the next 24 months.

However, retailers claim it is still unclear whether the majority of these projects will be done by the consumer or by a professional contractor.

"The DIY aspects of roofing are very hard to pin down," said Edward Hahn, vp-building materials for Rickel

(Continued on page 26)

Wickes Cos. approves plan to upgrade 55 BE units

By Brad Altman
West Coast editor

LOS ANGELES—Underscoring its commitment to Builders Emporium, Wickes Cos. new management has approved a six-month plan to remodel or upgrade 55 of the chain's 62 stores.

In a related move, BE will target an undisclosed amount on a spring-summer advertising and sales promotion campaign, using television, radio, newspaper, mailers and catalogs.

Both programs, aimed at boosting sales, in the short term are designed to "convince suppliers that in Chapter XI, we're not any less competitive than before," a Wickes spokesman said. "If anything, we're more competitive. We're going to get those consumers into the stores."

New Wickes chairman Sanford Sigoloff told *NHCN* that BE was one of Wickes stronger assets in an early May interview (*NHCN*, May 24).

Several days after the April 24 bankruptcy petition was filed in Federal court here, the 62nd BE unit was opened in Sunnymead, Calif., as scheduled.

BE's gm, Bill Teachout, said sales have been "relatively strong" chainwide in recent weeks. The Irvine-headquartered chain is "very close to where we should be as far as inventory is concerned," he added, referring to the out-of-stock condition that plagued the BE stores in the weeks preceding the Chapter XI filing.

Teachout added: "Our trade has been most responsive. Now what we must do is concentrate on running the business."

Four of the chain's stores, in North Hollywood, Tarzana, Thousand Oaks and Goletta, will undergo "major renovation," Teachout said. Four others, in San Jose, Milipipas, Landera Heights and Redwood City, are slated to receive what Teachout called "minor facelifts."

Seven relatively new stores won't be touched. The remaining stores will be "enhanced" as opposed to a more extensive remodeling job. These stores, depending on need, will receive new signage, interior decor, flooring and paint, both interior and exterior.

Teachout and Wickes officials declined comment on the cost of the improvements.

"It's just too sensitive from a competitive standpoint," said a Wickes spokesman. "Our competitors would love to know what we're spending and we're not about to tell them."

The spokesman said, however, that the actual amount of promotional dollars to be spent in support of the spring-into-summer advertising campaign is "about the same as the amount we spent last year."

"That's heavy promotion," he said. "BE is really coming into the heavy season swinging. If our competitors think we were tough before, just wait."

NEWSBREAKS

FOREST CITY CONVERSION. Forest City will change Akron and Cleveland stores to a race-track format by Labor Day, in a preliminary move that will eventually touch all stores. One of the test stores will have high gondolas, the other low. The remodeling is expected to cost in the low six figures per unit.

HOME DEPOT TARGETS ORLANDO. The Home Depot has secured leases on two pieces of land in Orlando with plans to open separate 70,000-sq.-ft. units. One will be a retrofit, the other specially built. Both stores will be designed according to the company's warehouse prototype.

Sutherland hikes TV budget 200%

By Molly Brauer
NHCN field editor

KANSAS CITY, Mo.—Sutherland Lumber has launched a vastly expanded television advertising drive that could well catapult the privately held chain to the No. 1 spot among the top 10 television advertisers in the home center industry in 1982.

According to knowledgeable media sources, Sutherland's television advertising budget has been increased by approximately 200% this year, despite a relatively skimpy first-quarter campaign. Sutherland Lumber officials declined to confirm or deny that number.

Three years ago, Sutherland was not even among the top 10 home center television advertisers.

The 71-store, 21-state chain first appeared in 1980, in the No. 9 spot, with annual TV expenditures of $295,600, according to Television Bureau of Advertising figures.

Then last year, Sutherland moved up to the No. 6 spot,

(Continued on page 4)

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Somerville joins chain ranks with 2nd store

By Greg Puchalski
NHCN senior editor

WESTBORO, Mass.—Somerville Lumber, the mighty single-store independent, officially became a chain last week with the grand opening here of its second outlet.

Opening day sales were not available at presstime, but the June 14 debut of the 43,000-sq.-ft. store was backed up by a massive advertising campaign to introduce people in the Westboro and surrounding areas to the home center retailer.

The new store marked the start of what Somerville Lumber co-owners Harold and Melvin Cohen plan as a three-store expansion drive 35 miles west, north and south of their $26 million flagship store in the Boston suburb of Somerville.

Harold Cohen said plans for store No. 3 will go into effect when Westboro reaches the $1 million-per-month sales mark.

He views the expansion to Westboro, however, as "by far the most difficult in the program.

"Westboro is a virgin territory to us," he explained. "The *Boston Globe* [a key advertising medium for Somerville] only has 19,000 of its 750,000 circulation in the Worcester County area. When we go north and south in the expansion, the *Globe* is dominant in those areas."

Developing the new unit will also present a challenge because Westboro is between the cities of Framingham and Worcester, Mass., and "people who live in Framingham travel east toward Boston and people who live in Worcester travel west," Cohen indicated.

Although Somerville officials view the new unit as a challenge, they also feel it is ideal for them.

"It fits into our scheme of going 35 miles from Somerville," Cohen said. "It won't take any business from Somerville. We'll be adding real sales with this store. It's out of our trading area, but once we get people to come to the store, they'll go nowhere else."

The Cohens purchased the unit from Diamond International, which had closed the store last year after six years of operation because it failed to meet sales expectations. The purchase price, along with doubling the size of the store and adding inventory, fixtures, trucks and forklifts, brought

(Continued on page 25)

Somerville Lumber's second store, a 43,000-sq.-ft. unit in Westboro, Mass., marks the first outlet in a three-store expansion program that is projected to bring Somerville 35 miles west, north and south of Boston. NHCN photo

DIY Industry update

L-P sells Orange, Calif., center

ORANGE, Calif.—A 16,000-sq.-ft. Louisiana-Pacific home center and accompanying seven-acre lumberyard here were sold for an estimated $3 million. The buyer reportedly plans to build a "U-Store-It" storage facility on the site.

John Schick, gm of L-P's southern California distribution center in El Segundo, said the facility was shuttered May 25 because it "didn't draw enough of the home-center-type buyer" to remain profitable.

Downplaying the significance of the sale, Schick noted that L-P still has four other home centers in Orange County as well as a contractor yard and combination distribution and truss yard. Schick also oversees three L-P home centers located in Ventura County.

Schick noted that the Orange facility was "being offered for sale long before" L-P bought it and five other southern California home centers in 1979, from Ward & Harrington, a division of Lonestar Industries.

Gem Holding files Chapter XI

NEW YORK—Gem Holding Co., owner of four Gem Lumber stores in Brooklyn, Queens and Staten Island, filed Chapter XI in United States Bankruptcy court in Brooklyn on Thursday May 27.

At presstime, the reorganization of the company was just getting under way. Attornies for the company, Hauptman and Hauptman of Brooklyn, received confirmation on June 3 of the appointment of an official creditors' committee from the judge presiding over this case.

S. A. Hauptman listed the seven largest unsecured creditors comprising the official committee as follows: Weyerhaeuser American Hardware, York Brothers Industries, Gold Bond Products, Herbert Sabbeth, Feldman Lumber and Miller Supply.

An unofficial meeting of all creditors whose claims exceed $1,000 was scheduled to be held at the Brooklyn Bar Association on June 3. Representatives of Gem, Hauptman and Hauptman and the creditors are expected to work out a plan for preliminary reorganization of payments.

Sheldon Spodek, president of Gem Lumber, heads up the four-store chain which was formed after the 1979 split of the original Gem Lumber. Spodek's Gem Lumber now operates two stores in Brooklyn, one in Queens and one in Staten Island.

Sheldon Spodek, the elder brother of Richard Spodek, was partners with his brother and Robert Gans in the original Gem Lumber which he joined in 1962. All three partners received a package of stores and the right to use the name Gem when the company was divided after a dispute in corporate direction.

After the split, Richard Spodek and Robert Gans ceased to use the Gem name, but some confusion remains.

Channel dominates N.J. Show

EAST RUTHERFORD, N.J.—Channel Home Centers dominated the first Greater New Jersey Home Show, a consumer exhibition held last month at the new Byrne Meadowlands Arena.

In addition to 26 10-ft. x 10-ft. booths manned by the home center firm's suppliers, Channel also conducted hourly DIY clinics and stationed its telephone answer man, known as Dr. Wally Barnett, at the exhibition entrance.

Channel was among more than 300 retail, wholesale and manufacturer exhibitors that filled the 100,000 sq. ft. of show space at the arena, drawing more than 80,000 attendees.

Reaction among exhibitors varied from a disappointed lawn and garden supplier, who felt the show was too late in the season for his category, to a lumber wholesaler pushing treated wood for decks who said, "We sold 14 truckloads just from the show."

The show's producer, Richard Sherman, who organized previous shows in New England,said he broke even and is optimistic about next year's exhibit.

National Home Center News

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Wickes offers 4-stage plan at meeting with creditors

By Brad Altman
West Coast editor

LOS ANGELES—An estimated 1,100 persons came to a court-ordered creditors' meeting to ask when Wickes Cos. would begin repaying its $1.98 billion debt. Top management officials said they didn't know.

Nonetheless, Wickes' head Sanford Sigoloff said he hoped the implementation of the repayment plan would happen quickly:

"When we can forecast our sales, profits and cash flow—and only then—will we be prepared to deal with the creation of a plan of arrangement that will allow us to repay our indebtedness."

Sigoloff, the corporate "rescue artist" who was hired in April to reverse Wickes' mounting problems, chose the June 3 meeting at the Los Angeles Convention Center to offer his most complete public accounting of how he plans to nurture the giant retailer back to health.

His presentation, accompanied by graphs and charts projected onto two giant screens, was mandated by Federal bankruptcy laws. The meeting was set April 24, when Wickes filed Chapter XI petitions for nine divisions including Builders Emporium and Wickes Lumber. By April 30, Wickes had sought court protections from its creditors for a total of 21 of its 24 divisions.

Sigoloff told creditors that the company's retailing operations "are receiving support from the trade," and "they have sufficient inventory." Wilhelm Mallory, senior vp and chief financial officer, elaborated at a press conference following the meeting, saying stores companywide are "probably getting 85% to 90% of the goods they need." Sigoloff said Wickes is "proceeding to restock cautiously. We don't want to deal with another round of inventory obsolescence and markdown."

Company officials also disclosed that Wickes has suspended negotiations for a bank credit line of more than $100 million that it originally sought as a reserve for seasonal buying (*NHCN*, May 24). Cash flow from operations and divestitures, such as Wickes' recent $43.5 million sale of its agriculture business to Pillsbury, is satisfactory, said Jeffrey Chanin, senior vp for operations, divestitures and reorganization.

As of the first week in June, Wickes had a cash balance of approximately $180 million, said Wickes counsel Bernard Shapiro. He said positive cash flow will increase.

In response to a questioner who claimed some suppliers receive preferential treatment, Mallory said Wickes is planning

(Continued on page 26)

Helps to boost DIY reputation

Dixieline show doubles volume

SAN DIEGO—Dixieline Lumber is strengthening its hold on the DIY market here.

The five-unit chain recently held a "Home Fix-It Fair" at its newest store to boost consumer recognition of its DIY orientation.

And in nearby Oceanside, where Builders Emporium closed an unprofitable operation in early April, Dixieline is mapping plans to open a new home center.

Jim Inglis, vp-merchandising of Dixieline Lumber, San Diego, said unit sales doubled during last month's Home Fix-Up Show. Door prizes of up to $300 in goods helped lure more than 35,000 DIYers.

The 69-year-old company, which was bought by Weyerhaeuser in 1979, has traditionally been a major force in San Diego County's wholesale lumber marketplace.

Wholesale operations generate about 50% of Dixieline's estimated $100 million sales. While Herb Winward, who oversees retail operations for Weyerhaeuser, declined to disclose Dixieline's profits or sales, he added that Dixieline's "consumer business continues to grow while the contractor business ebbs and flows with market conditions."

Consequently, Dixieline is giving increasing emphasis to its retail operations. Each store reportedly generates about $10 million in annual sales.

The year-old Miramar Road facility, a five-acre complex featuring a 16,000-sq.-ft. home center and two-acre lumberyard, was the site of the consumer show.

Held the weekend of May

(Continued on page 25)

N.Y.C. offers homeowners improvement loans at 10.5%

NEW YORK—Low-interest home improvement loans of up to $10,000 are now being made available to residents here under a city program.

The program is targeted at middle-income people, offering families earning up to $52,640 (depending on the size of the family) $10,000 loans at rates of 10.5%.

Loans can be used to repair or replace building systems or to make other capital improvements, but generally cannot be used to finance freestanding appliances, household furnishings or burglar protection.

Eligible for the loans are owner-occupants of one-to-four family homes in 33 selected neighborhoods in the city's five boroughs. The loans are administered by 12 banks who have committed $5 million; an additional $4.2 million is expected from an Urban Development Action Grant.

The borrower must repay the loan within 10 years in equal monthly payments and must own and occupy the house for not less than three years after the loan is granted.

No less than one-third of the home improvement work must be allocated to code-related and/or basic structural items, energy conservation, heating, wiring, plumbing or termite and fire protection. The owner must permit the city to verify completion of the work.

According to program administrator Jennifer Wallace, 150 homeowners have been granted loans since the program was initiated last February. The program has suffered from a lack of public and industry awareness, however, she said.

"We had a great deal of publicity at the beginning of the program," Wallace said, referring to a City Hall press conference attended by Mayor Ed Koch and the first six families taking out the loans.

While the number of loan applicants has picked up over the past several weeks, according to Wallace, 300 loans must be granted before UDAC releases the $2.7 million balance of its commitment.

Home center spokesmen contacted in all five boroughs were generally unaware of the program but all thought it worthy of promoting at their stores.

Ira Rosenfeld, vice president of Butler Lumber in the Bronx, thought the program could be good for business and very helpful to moderate income families "who could afford to pay back the loan."

At Manhattan's Century Lumber, owner Harry Rothpearl was convinced that "if people know money is available they'll apply for it."

Abbe Building Materials owner Bernard Scharff on Staten Island said the success of the program depended on controlling interest rates and inflation.

"Just having the funds available is not a boon for our industry," he said. "The homeowner must have some money left over after living expenses to pay back the loan."